

**MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK**

**INFORMAL SESSION  
November 1, 2004**

The Board of Supervisors of Maricopa County, Arizona convened in Informal Session at 9:00 a.m., November 1, 2004 in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Andrew Kunasek, Chairman, District 3; Fulton Brock, District 1, (entered late); Don Stapley, District 2; Max W. Wilson, District 4; and Mary Rose Wilcox, District 5 (entered late). Also present: Fran McCarroll, Clerk of the Board; Monica Farine, Minutes Coordinator; David Smith, County Administrator; and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: (aye-no-absent-abstain).

Chairman Kunasek called the meeting to order.

**RETIREMENT PRESENTATION TO ISABEL MCDUGALL**

Item: Retirement presentation to Isabel McDougall, Director, Community Development, for 24 years of dedicated service to Maricopa County. (ADM 1500 & ADM 650)

David Smith, County Administrative Officer

Bill Scalzo, Community Services Officer

Bill Scalzo, Community Services Officer said Isabel McDougall is a quiet leader who gets the job done and is to be congratulated for her service to the county of 24 years. She helped to organize cottage industries as a guide for Guadalupe in 1978 and served as a leader on several Boards in Scottsdale. Her career with Maricopa County began in Human Services and then she became Director of Community Development. Ms. McDougall has received the best results on employee satisfaction surveys, and has mentored many. She plans to further this by becoming a professional coach. Her employees were present to wish her their best.

**~ Supervisor Brock entered the meeting ~**

David Smith, County Administrative Officer, said it did not take long to notice Isabel as a winner in Community Development. Since 1985, Ms. McDougall has overseen 444 block grants totaling \$70 million dollars. These projects have brought improvements in water, sewer, sidewalks, community centers, pools, senior centers in cities and towns throughout the rural areas of Maricopa County, and home funding for 85 home projects using federal dollars productively. To her credit, she has partnered with Mayors on advisory boards having a special skill for working with people. She hires the best staff promoting from within and her department is always at the top of satisfaction surveys. She evaluated economic development contracts and tightened up the system. With her personality and experience, she has the ability to develop others and is irreplaceable for her unique abilities. Maricopa County is sorry to see her retire and she will be missed.

Ms. McDougall was honored with a plaque from Maricopa County Board of Supervisors for her 24 years of service. Isabel McDougall thanked everyone. She said she has the best Community Development staff who are caring professionals. She complimented David Smith for his wonderful management style; the advisory committee comprised of elected officials who put their personal agendas aside, and Bill Scalzo who supported her and removed barriers for her to do her job. Supervisor Wilson had been a member of the Community Development Committee. He stated that Ms. McDougall is one of the "nicest problem solvers" who radiates understanding. Supervisor Stapley said he could not recall a single issue she did not resolve in a fair, professional manner. Supervisor Brock added that he felt part of reason the county is held in high esteem is due to extraordinary leadership like Ms. McDougall's. Chairman Kunasek said Ms. McDougall is a quilter, which explains how she can take a diverse advisory board, bring them together for the good of this community, and place each where they are best suited.

**~ Supervisor Wilcox entered the meeting ~**

Supervisor Wilcox indicated Ms. McDougall is very special to Maricopa County. She thanked Ms. McDougall for her "fair" handling of all Community Development and Home funds.

Chairman Kunasek convened a joint meeting with the Special Health Care District. The following items were presented to both Boards. The votes are those of the Board of Supervisors.

**AMEND IGA WITH SPECIAL HEALTH CARE DISTRICT**

Item: Approve and replace the Intergovernmental Agreement (IGA), dated October 6, 2004, with an amended and restated IGA between Maricopa County and the Maricopa County Special Health Care District. The amended and restated IGA will provide a mechanism for the County to continue operation of the Health system until all licensure and other requirements are met, provided however, that operational control will transfer to the District January 1, 2005. Also, this action makes additional conforming changes between the IGA and the exhibits. (C3905016201)

Tom Manos, Chief Financial Officer  
Sandi Wilson, Deputy County Administrator  
Christopher Keller, Chief Counsel, Division of County Counsel  
Bill Sims, Outside Counsel  
Jack Hess, FRG Consultant

Tom Manos, Chief Financial Officer, indicated there are four items for approval. The first item is the amendment to the IGA approved on October 6, 2004. It has one change, which provides a mechanism for assets of the system to be transferred now, but postpones operational control to January 1, 2004 so that the Special Health Care District can complete licensing issues in the transfer as well as obtain a separate license for Desert Vista. The remaining items are Exhibits to the IGA.

Discussion ensued regarding the transfer date of January 1<sup>st</sup> and the ability of the board to meet on that date. Mr. Keller explained that the documents had been written so that with all conditions satisfied by that date, the Special Health Care District would automatically transition. Transfer on January 1st is best for accounting purposes and makes an easier transition for employees for FICA purposes. Approximately 1200 contracts move to the Special Health Care District with letters of assignments having been sent out with the effective date of January 1st.

Motion was made by Supervisor Stapley, seconded by Supervisor Brock, and unanimously carried (5-0) to approve the amended and restated Intergovernmental Agreement with the Special Health Care District.

**LEASE AGREEMENT WITH THE SPECIAL HEALTH CARE DISTRICT**

Item: Approve a lease agreement between Maricopa County and the Maricopa County Special Health Care District for Medical Center Campus. The lease agreement is a component of the IGA, which defers all payments to the County unless there is a "Disproportionate Share (DSH) Triggering Event." (C39050162)

Tom Manos, Chief Financial Officer  
Sandi Wilson, Deputy County Administrator  
Christopher Keller, Chief Counsel, Division of County Counsel  
Bill Sims, Outside Counsel  
Jack Hess, FRG Consultant

Bill Sims, Outside Counsel, said a lease avoids problems with the Attorney General and is the best choice to follow. Tom Manos, Chief Financial Officer, said the system transfers at no cost, and there will be no lease payments unless there is a DSH triggering event. Chairman Kunasek inquired if interest

accrues even though there are no payments. Mr. Manos indicated rent increases each year. Mr. Sims said if a DSH triggering event occurs, there is a look back for the purpose of present value.

Motion was made by Supervisor Stapley, and seconded by Supervisor Brock to approve the above lease agreement. Motion carried by majority vote (4-1) with Supervisors Kunasek, Brock, Stapley and Wilson voting "aye" and Supervisor Wilcox voting "nay."

**INSURANCE IGA WITH THE SPECIAL HEALTH CARE DISTRICT**

Item: Approve the Insurance Intergovernmental agreement (IGA) which is a component of the IGA that will allow the District to obtain insurance coverage through the County's Self-Insurance Trust. (C39050162)

Tom Manos, Chief Financial Officer  
Bill Sims, Outside Counsel  
Jack Hess, FRG Consultant

Tom Manos explained that it would be best to keep the County and the Special Health Care District together for insurance purposes. The Special Health Care District can stay in the self-insurance trust for one year but can leave with 180 days notice. The IGA establishes a stop loss and covers medical malpractice. The County must retain the categories currently in place which locks in the current rates.

Motion was made by Supervisor Stapley, seconded by Supervisor Wilcox and unanimously carried (5-0) to approve the Insurance Intergovernmental Agreement with the Special Health Care District.

**FUND TRANSFER AGREEMENT WITH THE SPECIAL HEALTH CARE DISTRICT**

Item: Approve the Fund Transfer Agreement between Maricopa County and the Maricopa County Special Health Care District, which is a component of the IGA to provide additional assurances that the County is reimbursed for amounts withheld from its sales tax as provided for in A.R.S. § 48-5561. (C39050162)

Tom Manos, Chief Financial Officer  
Sandi Wilson, Deputy County Administrator  
Christopher Keller, Chief Counsel, Division of County Counsel  
Bill Sims, Outside Counsel  
Jack Hess, FRG Consultant

It was stated that the mechanism for payment of funds is through the Treasurer and the Treasurer has only one day to do so leaving the possibility of misdirecting funds. A second risk factor deals with the fair market value and the lump sum payment methodology. Supervisor Brock expressed a lingering concern about "fairness" in all of the documents and negotiations.

Mr. Smith stated from the beginning the goal was the success of the district. The transition team knew the intention of the Board of Supervisors was to be fair and they continually worked on that basis, holding public meetings for input.

Motion was made by Supervisor Stapley, seconded by Supervisor Brock, and unanimously carried (5-0) to approve the Fund Transfer Agreement. Supervisor Brock asked if there had been any discussions regarding funding, especially bonds, for the District. Tom Manos indicated that the primary mechanism for funding of this type for the District would be General Obligation Bonds, which would be secured by the secondary property tax. He explained that there was nothing in any of these documents, which would impede that type of bonding. General Obligation Bonding does not involve the real estate. Both Mr.

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Chairman Kunasek recessed the meeting of the Special Health Care District and reconvened the meeting only as the Board of Supervisors at this time.

Pursuant to A.R.S. 38-431.03, motion was made by Supervisor Wilcox, seconded by Supervisor Brock, and unanimously carried (5-0) to recess and reconvene in Executive Session to consider items listed on the Executive Agenda dated November 1, 2004, as follows.

- Compromise Cases** – Barbara Caldwell, Outside Counsel  
Crissee Boulton  
Chance Duane  
Jason Gosnell  
Kathy Ricca  
David Smith  
Haylee Boulton  
Juan Gonzalez  
Pauline Huslloimea  
Miguel Rodriguez  
Brian St. Julien
- Write-Off Cases** – Barbara Caldwell, Outside Counsel  
Alfredo Aguilar  
Michael Gee  
Adrian Gonzalez  
Reina Mendoza Lopez  
Salvador Morales-Hernandez  
Richard Salego  
Bradley Robinson  
Vernon Antone  
Loretta Gomez  
Ronald F. Hinchey  
Mia Salcido  
Steven Arand  
Swann McLemore  
Katherine Spencer

3. **Legal advice on the amended and restated inter-institutional agreement between Catholic Healthcare West and Maricopa County.**  
Christopher Keller, Chief Counsel, Division of County Counsel  
Tom Manos, Maricopa County Chief Financial Officer/Transition Team Leader  
Tim Casey, Outside Counsel  
Terry Roman, Outside Counsel  
Ted Shaw, MIHS, CEO

**4. Legal advice regarding Merit Commission**

Elizabeth Yaquinto, Deputy County Attorney  
Mary Cronin, Deputy County Attorney  
Gwynn Simpson, Director, Maricopa County Human Resources Department

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Chairman Kunasek reconvened the Board of Supervisors in open session to consider the following:

**AMENDED AND RESTATED AGREEMENT WITH CATHOLIC HEALTHCARE WEST**

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley, and unanimously carried (5-0) to approve the amended and restated Inter-Institutional Agreement between Maricopa County and Catholic Healthcare West d/b/a/ St. Joseph's Hospital and Medical Center.

**MEETING ADJOURNED**

At the conclusion of discussion on the matters listed above, and there being no further business to come before the Board, the meeting was adjourned

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Andrew Kunasek, Chairman of the Board

ATTEST:

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Fran McCarroll, Clerk of the Board